



INDUSTRY CIRCULAR

DEPARTMENT OF
THE TREASURY

Bureau of Alcohol, Tobacco and Firearms

Washington, D. C. 20226

Number: 85-15

Date: December 24, 1985

ATF FORM 5000.24, EXCISE TAX RETURN

Proprietors of Distilled Spirits Plants and Bonded Wine Cellars, Brewers, Manufacturers of Cigars, Cigarettes, Cigarette Papers and Tubes, and Others Concerned:

Purpose. The purpose of this circular is to advise you of the implementation, on January 1, 1986, of a new Alcohol, Tobacco and Firearms (ATF) tax return, ATF Form 5000.24, Excise Tax Return.

Background. 26 U.S.C. 5061(a) and 5703(b) require that the excise taxes on distilled spirits, wine, beer, cigars, cigarettes, and cigarette papers and tubes be collected on the basis of a return. Currently, ATF regulations in 27 CFR Parts 19, 240, 245, 270, and 285 prescribe the use of eight different return forms for the collection of these various taxes. In order to simplify the returns processing procedure, we have consolidated these eight forms into a single new return, ATF Form 5000.24, Excise Tax Return. Accordingly, ATF regulations are being amended to delete references to old tax form numbers and titles and to require the use of ATF Form 5000.24.

Effective Date. Amended regulations prescribing the use of ATF Form 5000.24, Excise Tax Return, become effective on January 1, 1986. Returns covering taxable removals made on and after January 1, 1986, shall be on ATF Form 5000.24. Returns covering taxable removals made before January 1, 1986, shall be on one of the eight existing tax return forms even when the return and payment are not due until a date in 1986.

Obsolete Tax Return Forms. The following tax return forms may not be used to pay the tax on removals made after December 31, 1985:

ATF F 5110.32 - Prepayment Return - Distilled Spirits Tax

ATF F 5110.35 - Distilled Spirits Tax Return - Deferred
Payment

ATF F 2050 (5120.27) - Wine Tax Return

ATF F 2052 (5120.37) - Prepayment Return - Wine Tax

ATF F 2034 (5130.7) - Beer Tax Return

ATF F 3071 (5210.7) - Tax Return - Manufacturer of Tobacco
Products

ATF F 2617 (5210.11) - Prepayment Tax Return - Manufacturer
of Tobacco Products
ATF F 2137 (5230.1) - Monthly Tax Return - Manufacturer of
Cigarette Papers and Tubes

Taxpayers Not Affected. The implementation of ATF Form 5000.24, Excise Tax Return, does not affect taxpayers in Puerto Rico, who shall continue to file the return forms prescribed in 27 CFR Part 250 and 27 CFR Part 275.

Discussion. The item headings and instructions on ATF Form 5000.24, Excise Tax Return, are, we believe, sufficiently clear to enable you to complete the form correctly. What follows, then, is not an item-by-item explanation of ATF Form 5000.24, but rather a general discussion of its more significant features. Please note: this discussion is not meant to be, nor is it, a substitute for reading the instructions on the form.

ATF Form 5000.24 must be used in conjunction with both the prepayment and the deferred payment of excise taxes on alcoholic beverages, tobacco products, and cigarette papers and tubes. This dual use of the Excise Tax Return represents a fundamental change for proprietors of distilled spirits plants and bonded wine cellars and for manufacturers of cigars and cigarettes, all of whom currently use one form for prepayments of tax and another form for deferred or semimonthly payments.

So that ATF personnel can distinguish which type of return you have filed, you must always indicate in item 4 of ATF Form 5000.24 whether the return covers the prepayment of taxes or a tax return period.

Please note that there have been no changes in tax return periods or in the prescribed times for filing returns. Except as provided otherwise in regulations, proprietors of distilled spirits plants and bonded wine cellars, brewers, and manufacturers of cigars and cigarettes must continue to file semimonthly returns. Manufacturers of cigarette papers and tubes must continue to file monthly returns.

Currently, all taxpayers, except proprietors of distilled spirits plants, are required to show on their returns quantities of taxable commodities removed subject to tax during the period covered by the return. These quantities, multiplied by the applicable tax rate or rates,

become the amount of tax for which the taxpayer is liable. With the implementation of ATF Form 5000.24, no taxpayer will any longer be required to report quantities of commodities removed subject to tax.

The decision to exclude these quantity figures from ATF Form 5000.24 was based, in part, on unsolicited recommendations from taxpayers. Those who wrote to us pointed out that quantities of taxable commodities removed subject to tax are shown in records which regulations require every taxpayer to prepare and keep available for inspection by ATF officers. To list these same quantities on tax returns was, they said, unnecessarily burdensome.

We realize that some taxpayers may find the format of the existing returns helpful in calculating the dollar amount of their tax liabilities. Not only do some of the current forms provide space for listing quantities of products removed subject to tax, they also show the tax rate or rates by which these quantities are to be multiplied to arrive at the dollar amount of the tax liability. This type of format can be particularly useful when the products at a given plant (bonded wine cellars and cigarette papers and tubes factories are two examples of such plants) are taxed at more than one rate.

We encourage those of you who like the format of the existing returns to continue to use them, as "worksheets" for calculating the amount of tax to be shown in item 9(b) of ATF Form 5000.24. Please keep in mind, however, that for tax liabilities incurred after December 31, 1985, the only tax return form you are allowed to file is ATF Form 5000.24. Also, if you do intend to use the old forms as worksheets, you will need to provide your own copies since ATF will not stock these forms after December 31, 1985.

In reporting your tax liability in item 9(b) of ATF Form 5000.24, be sure to make your entry or entries on the appropriate product line or lines. Since a separate return must be filed for each distilled spirits plant, each bonded wine cellar, each brewery, each tobacco products factory, and each cigarette papers and tubes factory making removals subject to tax, only manufacturers of cigars and cigarettes would ever have occasion to make more than one entry in item 9(b): provided the products were removed from the same factory, there would be one entry for cigars and a second entry for cigarettes.

You need not be concerned about the Internal Revenue Service (IRS) numbers in item 9(c) of ATF Form 5000.24. The IRS uses these numbers to collect and publish statistical data on the sources of tax collections.

Availability of ATF Form 5000.24, Excise Tax Return.
You should have received an initial supply of ATF Form 5000.24, Excise Tax Return, along with this circular. If you did not, please contact the office of the Regional Director (Compliance), Bureau of Alcohol, Tobacco and Firearms, for the area where your business is located and that office will send you an initial supply of the new form. Thereafter, as you need additional copies of ATF Form 5000.24, you should requisition them from the ATF Distribution Center, 7943 Angus Court, Springfield, VA 22153.

Inquiries. Inquiries concerning this circular should refer to its number and should be addressed to the Regional Director (Compliance), Bureau of Alcohol, Tobacco and Firearms, for the region in which your business is located.


Director